

# Environmental Services Budget Projections

ESB

January 21, 2021

# Overview

- ES Services Overview
- ES Budget Projections
- History of Ending Working Capital
- Commodity Fluctuations
- Increase in Operational Expenses
- Problem
- Feedback

# ES Services Overview

 Los Alamos Transfer Station – Open 7 days per week (excluding holidays)

 Closed Landfill – NMED requires 30 years post closure care for the landfill

 Residential Collection Services ~7,200 households per week

 Commercial Collection Services ~447 trash dumpster services per week

 Overlook Convenience Center – Open 5 days per week

✓ Lemon Lot Recycle Center – Open 24/7

 18 Full Time Employees

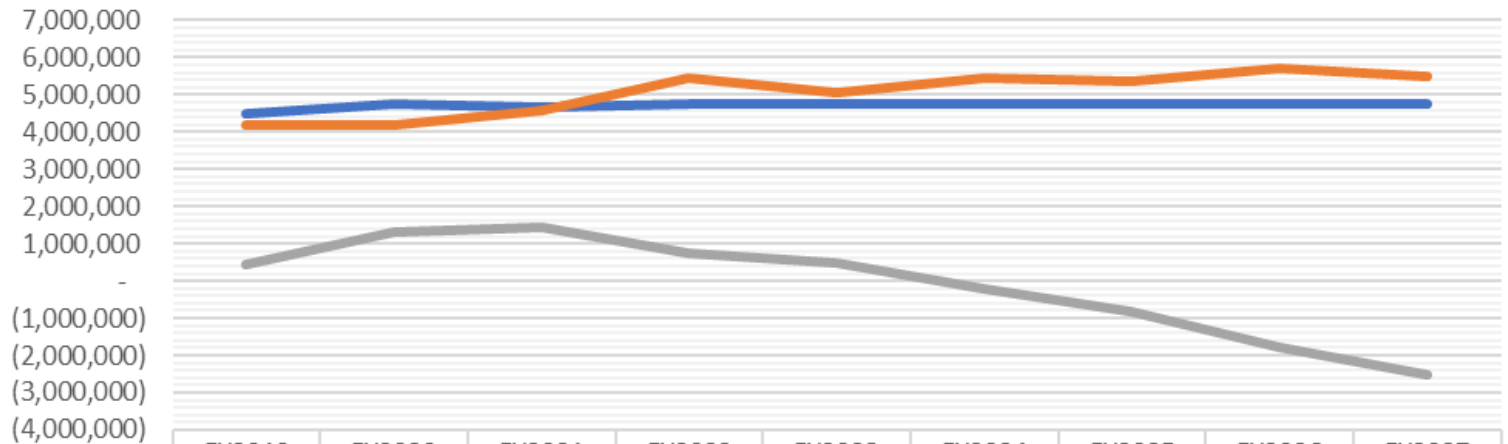
 Environmental Sustainability Board & Zero Waste Team

# FY20 Operating Expense Summary

FY20 Operating Expense Summary			
Program Areas	Cost	Revenue	Gain/Loss
Residential	\$ 2,161,200.00	\$ 2,210,105.00	\$ 48,905.00
Commercial	\$ 735,367.00	\$ 737,425.00	\$ 2,058.00
Roll Off	\$ 45,994.00	\$ 62,568.00	\$ 16,574.00
Transfer Station	\$ 861,150.00	\$ 681,036.00	\$ (180,114.00)
Debt Service Interest		\$ 29,679.00	\$ 29,679.00
Landfill (EGRT)	\$ 53,571.00	\$ 53,571.00	\$ 0.00
Loan (EGRT)	\$ 326,595.00	\$ 326,595.00	\$ 0.00
Total	\$ 4,183,877.00	\$ 4,100,979.00	\$ (82,898.00)

\*EGRT (\$1.021M) is used for Landfill Post Closure Care and Transfer Station Loan

## Revenue and Expenses All Services



	FY2019 Actual	FY2020 Actual	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected	FY2027 Projected
Revenue	4,491,689	4,747,576	4,686,704	4,764,500	4,764,500	4,764,500	4,764,500	4,764,500	4,764,500
Expenses	4,172,172	4,180,006	4,586,163	5,453,970	5,062,408	5,447,255	5,358,830	5,726,558	5,511,400
Ending Working Capital	420,435	1,299,410	1,449,951	760,481	462,573	(220,182)	(814,512)	(1,776,570)	(2,523,470)

# Revenue and Expenses

## All Services

	FY2019 Actual	FY2020 Actual	FY2021 Revised as of 12/4/20	FY2021 Projected	FY2022 Proposed	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected	FY2027 Projected
<b>Beginning working capital</b>	\$908,813.00	\$420,435.00	\$1,299,410.00	\$1,299,410.00	\$874,036.84	\$1,449,951.17	\$760,481.31	\$462,573.31	(\$220,180.69)	(\$814,508.69)	(\$1,776,563.69)
<b>Revenues</b>											
Gross receipts tax - special purpose	\$1,028,085.00	\$1,021,329.00	\$1,101,000.00	\$1,101,000.00	\$1,127,000.00	\$1,127,000.00	\$1,127,000.00	\$1,127,000.00	\$1,127,000.00	\$1,127,000.00	\$1,127,000.00
Residential	\$2,170,443.00	\$2,210,106.00	\$2,211,000.00	\$2,211,000.00	\$2,244,000.00	\$2,244,000.00	\$2,244,000.00	\$2,244,000.00	\$2,244,000.00	\$2,244,000.00	\$2,244,000.00
Commercial Dumpster	\$710,433.06	\$799,993.00	\$670,000.00	\$700,335.00	\$726,431.00	\$726,431.00	\$726,431.00	\$726,432.00	\$726,433.00	\$726,434.00	\$726,435.00
Transfer station service	\$546,258.94	\$686,469.00	\$696,300.00	\$651,369.00	\$644,069.00	\$644,069.00	\$644,069.00	\$644,069.00	\$644,069.00	\$644,069.00	\$644,069.00
Interest Income	\$36,469.00	\$29,679.00	\$13,000.00	\$23,000.00	\$23,000.00	\$23,000.00	\$23,000.00	\$23,000.00	\$23,000.00	\$23,000.00	\$23,000.00
Other Revenue		\$311,405.00	\$0.00	\$50,000.00	\$0.00						
<b>Total Revenue</b>	<b>\$4,491,689.00</b>	<b>\$5,058,981.00</b>	<b>\$4,691,300.00</b>	<b>\$4,736,704.00</b>	<b>\$4,764,500.00</b>	<b>\$4,764,500.00</b>	<b>\$4,764,500.00</b>	<b>\$4,764,501.00</b>	<b>\$4,764,502.00</b>	<b>\$4,764,503.00</b>	<b>\$4,764,504.00</b>
<b>Expenses by Program</b>											
Residential	\$1,883,465.00	\$2,136,720.00	\$2,775,533.32	\$2,488,353.32	\$2,545,092.00	\$3,122,354.72	\$2,811,672.80	\$2,933,874.20	\$2,972,794.60	\$3,229,320.20	\$3,003,250.60
Commercial dumpster	\$925,876.00	\$797,935.00	\$983,556.68	\$817,810.01	\$926,480.00	\$872,086.51	\$886,534.26	\$1,054,350.69	\$948,412.17	\$998,173.19	\$1,037,026.51
Transfer Station	\$588,847.00	\$861,150.00	\$1,014,177.99	\$886,984.50	\$942,268.00	\$1,064,521.04	\$967,605.94	\$1,060,435.11	\$1,037,028.23	\$1,096,469.61	\$1,066,527.89
Landfill Closure	\$446,085.00	\$53,571.00	\$66,420.17	\$66,420.00	\$68,873.00	\$68,412.60	\$70,000.00	\$72,000.00	\$74,000.00	\$76,000.00	\$78,000.00
Debt Services	\$327,899.00	\$330,630.00	\$326,985.00	\$326,595.00	\$326,595.00	\$326,595.00	\$326,595.00	\$326,595.00	\$326,595.00	\$326,595.00	\$326,595.00
<b>Total Expenses</b>	<b>\$4,172,172.00</b>	<b>\$4,180,006.00</b>	<b>\$5,166,673.16</b>	<b>\$4,586,162.83</b>	<b>\$4,809,308.00</b>	<b>\$5,453,969.86</b>	<b>\$5,062,408.00</b>	<b>\$5,447,255.00</b>	<b>\$5,358,830.00</b>	<b>\$5,726,558.00</b>	<b>\$5,511,400.00</b>
<b>FY Gain/(Loss)</b>	<b>\$319,517.00</b>	<b>\$878,975.00</b>	<b>(\$475,373.16)</b>	<b>\$150,541.17</b>	<b>(\$44,808.00)</b>	<b>(\$689,469.86)</b>	<b>(\$297,908.00)</b>	<b>(\$682,754.00)</b>	<b>(\$594,328.00)</b>	<b>(\$962,055.00)</b>	<b>(\$746,896.00)</b>
<b>Ending Working Capital</b>	<b>\$420,435.00</b>	<b>\$1,299,410.00</b>	<b>\$824,036.84</b>	<b>\$1,449,951.17</b>	<b>\$829,228.84</b>	<b>\$760,481.31</b>	<b>\$462,573.31</b>	<b>(\$220,180.69)</b>	<b>(\$814,508.69)</b>	<b>(\$1,776,563.69)</b>	<b>(\$2,523,459.69)</b>

# Revenue and Expenses

## Residential Services

	FY2019 Actual	FY2020 Actual	FY2021 Projected	FY2022 Proposed	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected	FY2027 Projected
<b>Residential Rate/Month/Household</b>										
Revenue	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
Expense	\$21.80	\$24.73	\$28.80	\$30.15	\$34.32	\$31.28	\$33.75	\$30.70	\$31.63	\$32.57
Gain/(Loss) Per Customer	\$3.20	\$0.27	(\$3.80)	(\$5.15)	(\$9.32)	(\$6.28)	(\$8.75)	(\$5.70)	(\$6.63)	(\$7.57)

# Residential Rate Comparison

Communities	Residential Trash Collection	Residential Recycle Rates	12 Free Loads	Bulk Item	Household Hazardous Waste (HHW)	Electronics	Tires	Curbside Yard Trimming Collection	Yard Trimmings
Los Alamos	\$25 (Includes curbside recycle& yard trimming collection, 12 free trips to the Eco Station annually, household hazardous waste, and electronic recycling)	Included in monthly refuse fee.	Included in monthly refuse fee.	\$ 25.00	Included in monthly refuse fee	Included in monthly refuse fee	Residents can bring in tires as part of their 12 Free Loads	Included in monthly refuse fee.	Residents can bring in additional yard trimmings as part of their 12 Free Loads
Santa Fe	\$15.75 (\$1.50 per extra tag for additional trash) The lid must close on the roll cart or it will not be serviced.	Included in monthly refuse fee.	\$6/load minimum up to \$50/ton	\$ 33.00	\$50/ton or 2.5 cents/ton. 50 cent minimum	\$50/ton or 2.5 cents/ton. 50 cent minimum	\$160/ton	Service Not Provided	\$20/ton
Rio Arriba	\$20.27 for County residents; \$17.28 for City customers; \$27.00 for Santa Fe County customers	No Recycling Collection	No free loads. \$10.38 per truck load even with the truck bed. \$18.39 per non customer.	Service Not Provided	Service Not Provided	Service Not Provided	\$3.00/tire	Service Not Provided	\$6.79 per load. Only accepted at Tierra Amarilla and Alcalde transfer station.



# Revenue and Expenses

## Commercial Services

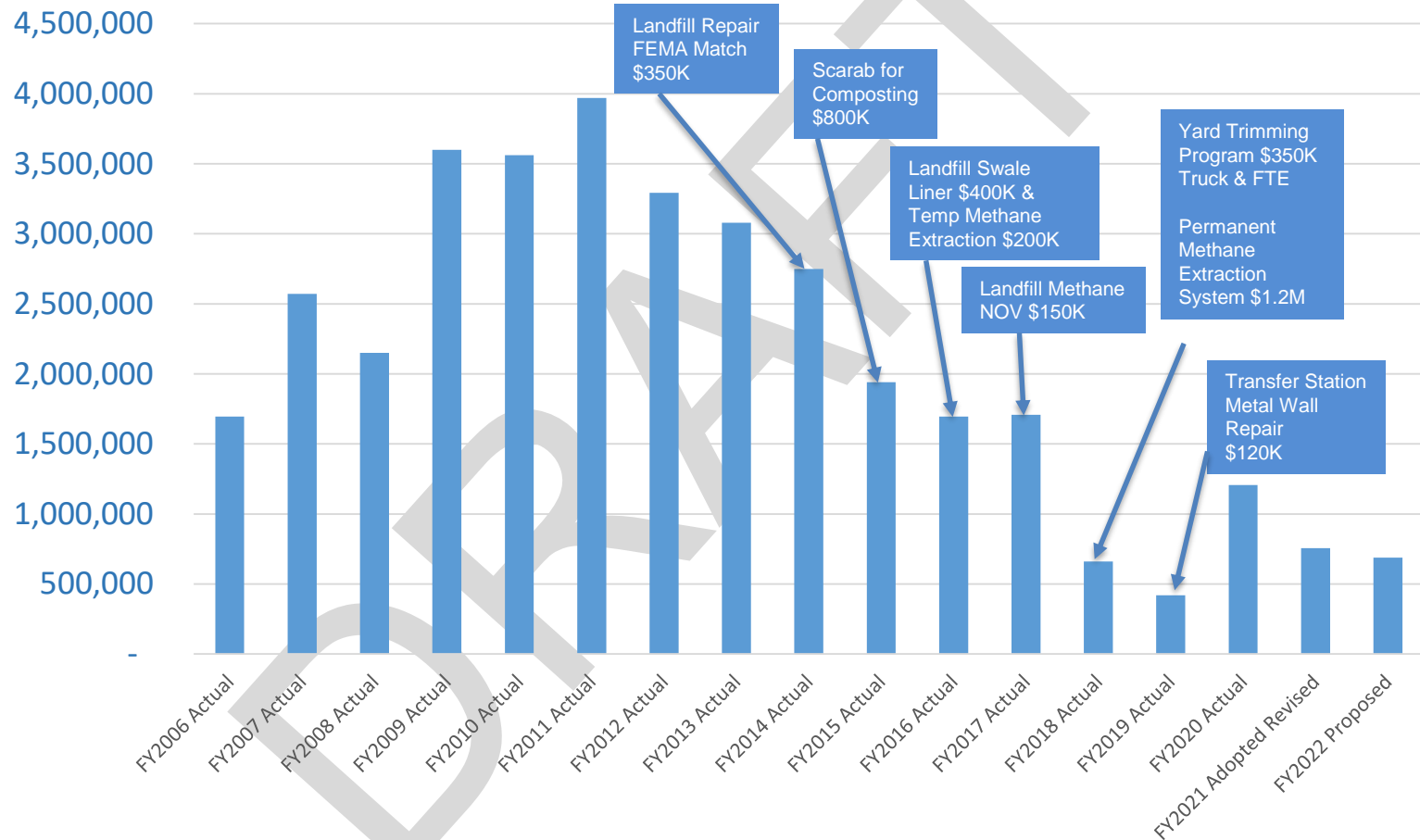
	FY2019 Actual	FY2020 Actual	FY2021 Projected	FY2022 Proposed	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected	FY2027 Projected
<b>Commercial Rate/Month/Pickup</b>										
Revenue	\$133.60	\$133.60	\$133.60	\$133.60	\$133.60	\$133.60	\$133.60	\$133.60	\$133.60	\$133.60
Expenses	\$139.78	\$133.22	\$141.21	\$159.90	\$146.03	\$150.45	\$154.92	\$159.58	\$164.43	\$169.28
Gain/(Loss) Per Customer	(\$6.18)	\$0.38	(\$7.61)	(\$26.30)	(\$12.43)	(\$16.85)	(\$21.32)	(\$25.98)	(\$30.83)	(\$35.68)

# Commercial Dumpster Program Cost Comparison

Service	Los Alamos (Current)	City of Santa Fe		Rio Arriba County		Espanola
Trash Collection Monthly	\$125.00	\$151.92	\$	217.00	\$	193.27
Dumpster Rental Monthly	\$10.50	0.00	\$	0.00	\$	0.00
Recycle Collection Monthly	\$0.00	\$75.96	\$	62.75	\$	144.95
Total Trash Only with Dumpster	\$135.50	\$151.92	\$	217.00	\$	193.27
Total Trash and Recycle with Dumpster	\$135.50	\$227.88	\$	379.75	\$	338.22

\*Based on FY20 data

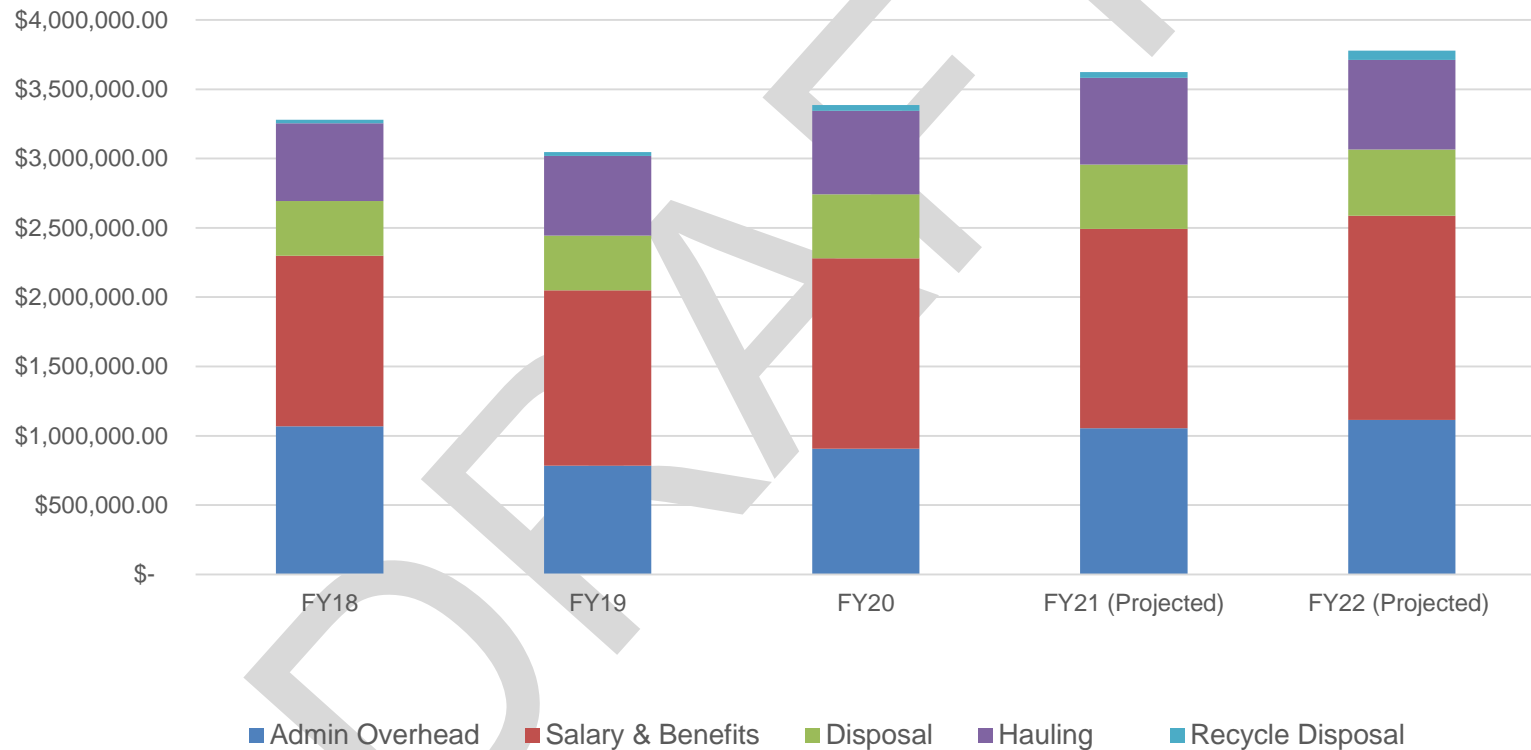
# Environmental Services Ending Working Capital History



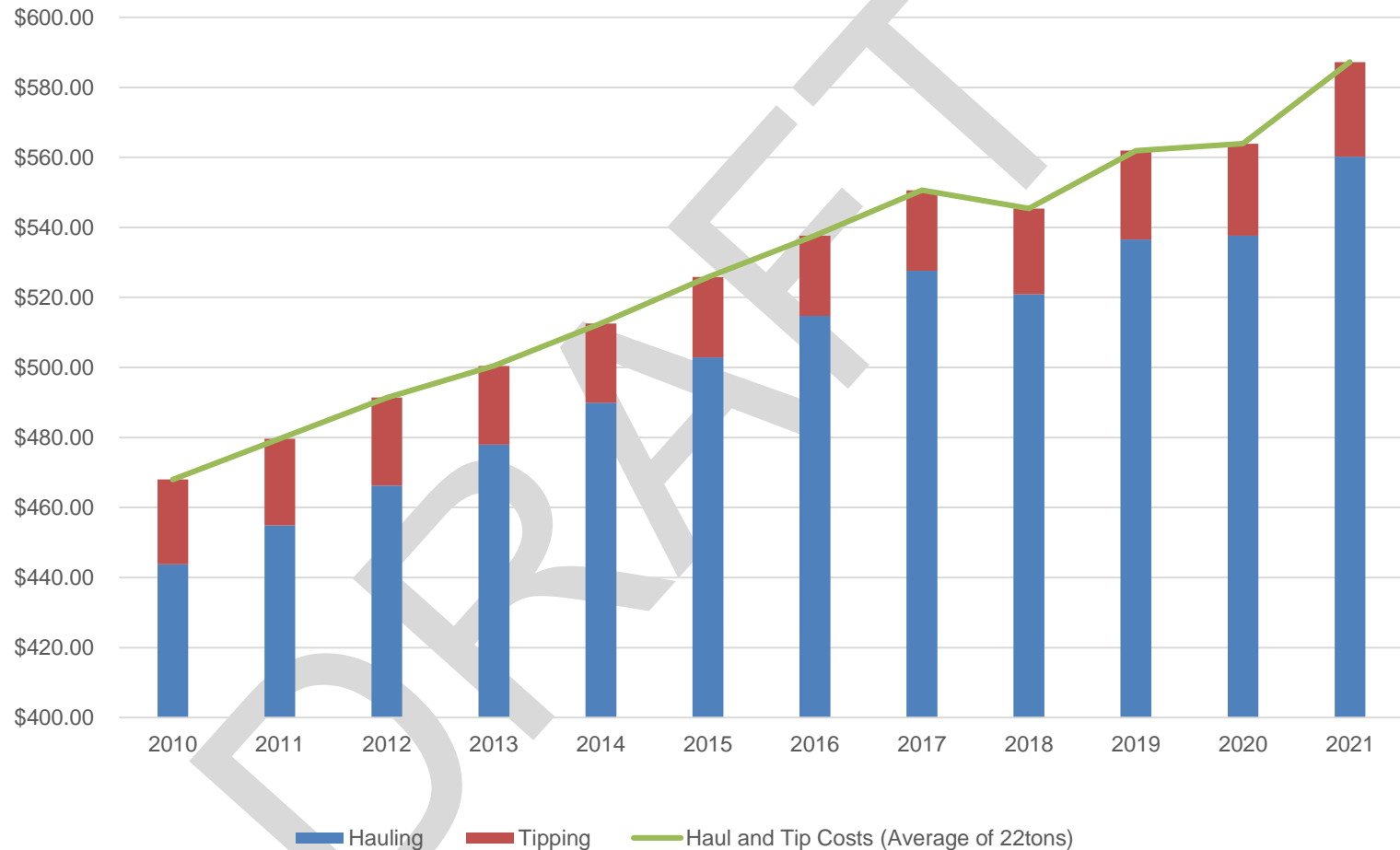
# Commodity Price Fluctuations

Commodity	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Antifreeze	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Oil	\$0.6/gal	\$0.01/gal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mixed Recycle	\$22/ton	\$8/ton	\$ -	(\$15/ton)	(\$16/ton)	(\$16/ton)	(\$25/ton)	(\$26/ton)
Electronics	\$0.15/lb	\$0.36/lb	(\$0.04/lb)	(\$0.04/lb)	(\$20/TV; \$9/Monitors; \$0.08/lb)	(\$20/TV; \$9/Monitors; \$0.08/lb)	(\$20/TV; \$9/Monitors; \$0.08/lb)	(\$20/TV; \$9/Monitors; \$0.08/lb)
Concrete	\$2.78/ton	\$1.45/ton	\$1.45/ton	\$1.45/ton	\$1.45/ton	\$1.45/ton	\$1.45/ton	\$1.45/ton
Asphalt	\$2.14/ton	\$1.88/ton	\$1.88/ton	\$1.88/ton	\$1.88/ton	\$1.88/ton	\$1.88/ton	\$1.88/ton
Cardboard	\$106/ton	\$97/ton	\$95.67/ton	\$128.59/ton	\$128.59/ton	\$45.00/ton	\$30.00/ton	\$0/ton
Metal			\$145.09/ton	\$74.18/ton	94.85/ton	\$101.78/ton	\$60.00/ton	\$68.00/ton

# Increasing Operational Expenses



## Haul and Tipping Costs Increase about 2.0% per Year



- 2018 decrease due to new hauling contract with new hauler

# Problem

- Increasing operational expenses (salaries, hauling and tipping, maintenance and repairs, equipment, expansion of programs, etc)
- Depleting ending working capital
- Rates are not covering the cost to provide service

# How does ES stay solvent?

- Goal is to cover the cost to provide service
- Looking for creative ways and ESB feedback to solve the problem.
- What would ESB like staff to address when we return with proposed rates?
- Any other questions or comments